

RECORDATION 10822 Filed 1425

SEP 18 1979 - 10 15 AM

INTERSTATE COMMERCE COMMISSION

RECORDATION OF MORTGAGE OF RAILROAD EQUIPMENT  
September 11, 1979

No. 9-261A020  
Date SEP 18 1979  
Fee \$50.00

The Secretary of the  
Interstate Commerce Commission  
Washington, D. C. 20423

ICC Washington, D. C

Dear Secretary:

Pursuant to Title 49, Section 11303, of the United States Code, First Bank & Trust, of Lufkin, Texas, a party to the mortgage instrument hereinafter mentioned, is submitting herewith for recordation three (3) copies of the Security Agreement dated September 11, 1979, each bearing the original signatures and all of which have been acknowledged pursuant to the requirements of 49CFR-1116.3. In accordance with 49CFR1116.4, we are furnishing the following information:

Mortgagor: Grinding and Sizing Company, Inc.,  
515 Industrial Road, Lufkin, Texas 75901

Mortgagee: First Bank & Trust, Lufkin, Texas,  
P. O. Drawer 10, Lufkin, Texas 75901

Equipment (Collateral): Two (2) 5,250 cubic feet jumbo covered hopper cars, manufactured by ACF Corporation, A. A. R. mechanical designation L0-L154, bearing recording markings and identifying marks GSWX 101, and GSWX 102, including appurtenances and additions thereto, substitutions and replacements therefore, and the proceeds therefrom.

We are also enclosing herewith a Cashier's Check in the sum of \$50.00 to cover the filing costs.

We request that the Security Agreement be duly recorded and returned to the following attorneys:

RECEIVED  
SEP 18 10 22 AM '79  
I.C.C.  
FEE OPERATION BR.



Page 2  
The Secretary of the  
Interstate Commerce Commission  
Septebmer 11, 1979

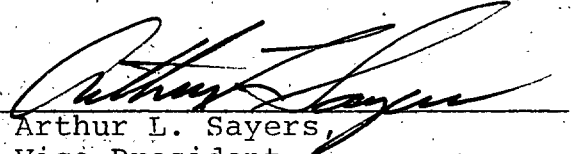
ZELESKEY, CORNELIUS, ROGERS,  
HALLMARK & HICKS  
P. O. Drawer 1728  
Lufkin, Texas 75901  
Attention: John C. Fleming

Your attention to the foregoing matter will be  
appreciated.

Yours truly,

FIRST BANK & TRUST, Lufkin, Texas

By:

  
Arthur L. Sayers,  
Vice President

ALS/cld  
Enclosure

CERTIFIED MAIL  
# 140999  
RETURN RECEIPT REQUESTED



**Interstate Commerce Commission**  
Washington, D.C. 20423

9/21/79

OFFICE OF THE SECRETARY

Zeleskey, Cornelius, Rogers, Hallmark & Hicks  
P.O. Box Drawer 1728  
Lufkin, Texas 75901

Attn: John C. Fleming

Dear

Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on at , and assigned re-  
recording number(s). 9/18/79 10:15am  
10822

Sincerely yours,

*Agatha L. Mergenovich*  
Agatha L. Mergenovich  
Secretary

Enclosure(s)

SEP 18 1979 -10 15 AM

SECURITY AGREEMENT

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT is executed as of the 11th day of September, 1979, between GRINDING AND SIZING COMPANY, INC. (herein called "Borrower") whose mailing address is 515 Industrial Road, Lufkin, Texas 75901 and FIRST BANK & TRUST, Lufkin, Texas (herein called "Bank") whose address is P. O. Box 10, Lufkin, Texas 75901.

Borrower has executed a loan agreement of even date herewith (herein called the "Loan Agreement") wherein the Bank has agreed to make available unto the Borrower loans in the aggregate amount of up to \$1,100,000.00. As a condition to the granting of such loans, the Bank has required the Borrower to execute this Security Agreement.

NOW, THEREFORE, for and in consideration of the loan or advances made or hereafter to be made to the Borrower by the Bank pursuant to the Loan Agreement, and for other good and valuable consideration, the parties hereto agree as follows:

1. SECURITY INTEREST. As security for the repayment of the Loans (as defined in the Loan Agreement) and the Notes (as defined in the Loan Agreement) and all other obligations of the Borrower pursuant to the Loan Agreement, including all future advances, and to further secure payment of all other liabilities and indebtedness of the Borrower to the Bank whether represented by note, overdraft, endorsement, surety agreement, guaranty, or otherwise, the Borrower grants to Bank a security interest in and agrees that the Bank has and shall continue to have a security interest in the following property (all hereinafter sometimes called the "Collateral"):

(a) All accounts now owned as well as any and all that may be hereafter acquired by Borrower, and all the proceeds and products thereof, including without limitation, all notes, drafts, acceptances, instruments and chattel paper arising therefrom, and all returned or repossessed goods arising from or relating to any such accounts, or other proceeds of any sale or disposition of inventory;

(b) All of Borrower's inventory, including all goods, merchandise, raw materials, goods in process, finished goods and other tangible personal property now owned or hereafter acquired and held for sale or lease or furnished or to be furnished under contracts for service or used or consumed in Borrower's business and all additions and accessions thereto and all documents of title evidencing or representing any

part thereof, and all products and proceeds thereof, wheresoever located;

(c) All of Borrower's equipment, including but not limited to all compressors, conveyors, pumps, motors, scales, hand tools, motor vehicles, hopper cars, and all other machinery, now owned or hereafter acquired, including additions and accessions thereto, substitutions therefor, and replacements thereof, and the proceeds therefrom, including but not limited to all of those items listed in the attached Exhibit "A" which exhibit is incorporated herein by reference;

(d) All of Borrower's fixtures and appurtenances thereto, and such other goods, chattels, fixtures, equipment and personal property affixed or in any manner attached to the real estate and/or building or structure including all additions and accessions thereto and replacements thereof and all articles and substitutions therefor, and the proceeds thereof, howsoever attached or affixed located on that real property situated in Angelina County, Texas and more fully described in the attached Exhibit "B". The record owners of such property are also set forth in the attached Exhibit "B".

2. REPRESENTATIONS, WARRANTIES AND COVENANTS OF BORROWER.  
The Borrower represents, warrants, and covenants as follows:

2.01 Except for the security interest granted hereby, the Borrower is, or as to the Collateral acquired after the date hereof which is included within the security interest granted hereby, the Borrower will be, the owner of all such Collateral free from any adverse claim, security interest or encumbrance;

2.02 There is no financing statement or other document now on file in any public office covering any part of the Collateral, and so long as any amount remains unpaid on the Loans or any obligation arising pursuant to the Loan Agreement, the Notes (as defined in the Loan Agreement) or this Security Agreement to the Bank, Borrower will not execute and there will not be on file in any public office any such financing statement or other document except the financing statement or document filed or to be filed in respect to the security interest hereby granted;

2.03 Subject to any limitation stated therein or in connection therewith, all information furnished

to the Bank concerning the Collateral and proceeds thereof, or otherwise, for the purpose of obtaining credit or an extension of credit, is or will be at the time the same is furnished, accurate and correct in all material respects;

2.04 The Borrower agrees to execute and deliver such financing statement or statements, such other instruments, or amendments thereof or supplements thereto, as the Bank may from time to time require in order to comply with the applicable law relating to the preservation and protection of the security interest hereby granted;

2.05 The Borrower will not, without written consent of the Bank, sell, contract to sell, or otherwise dispose or encumber the Collateral or any interest therein until this Security Agreement and all debts secured hereby have been fully satisfied;

2.06 The Borrower will keep the Collateral in good order and repair and will not waste or destroy the Collateral or any part thereof. The Borrower will not use the Collateral in violation of any statute or ordinance and the Bank will have the right to examine and inspect the Collateral at any reasonable time;

2.07 The Borrower will pay promptly when due all taxes and assessments upon the Collateral or for its use and operation;

2.08 Bank may, at its option, whether before or after default, but without obligation to the Borrower, discharge taxes, liens or security interests or other encumbrances at any time levied or placed upon the Collateral, and may pay for the repair, improvement, maintenance and preservation of the Collateral and pay any filing or recording fees necessary to preserve and protect the security interest hereby granted. Any and all such expenditures shall constitute an additional indebtedness of the Borrower which shall be due on demand and which shall be secured by and entitled to the benefits of this Security Agreement;

2.09 Any and all deposits or other sums at any time credited by or due from Bank to Borrower shall at all times constitute additional security for the indebtedness secured hereby and may be set off against any such indebtedness at any time whether or not they are due or whether or not other security held by Bank is considered by Bank to be adequate;



2.10 If Bank should at any time be of the opinion that the Collateral is not sufficient or has declined or may decline in value, or should Bank deem payment of Borrower's indebtedness to Secured Party to be unsecure, then Bank may call for additional collateral satisfactory to the Bank, and the Borrower promises to furnish such additional security forthwith. The call for additional collateral may be oral, by telegram, or United States Mail addressed to the Borrower and shall not affect any other subsequent right of the Bank to exercise the same;

2.11 The Borrower hereby appoints the Bank as Borrower's attorney-in-fact to do any and every act which Borrower is obligated by this Security Agreement to do and to exercise all rights of Borrower in Collateral and to make collections and to execute any and all papers and instruments and to do all things necessary to preserve and protect the Collateral and to protect Bank's security interest in said Collateral.

2.12 The Borrower now maintains and will continue to maintain or cause to be maintained with financially sound and reputable insurers, insurance with respect to the Collateral and with respect to all of its property and business against such liabilities, casualties, risks and contingencies and in such types and amounts as are satisfactory to the Bank. As to the insurance covering the Collateral, the Borrower will have the Bank named as a loss payee. Upon request of the Bank, the Borrower will furnish the Bank from time to time a summary of the insurance coverage of the Borrower in form and substance satisfactory to the Bank and if requested will furnish the Bank copies of the applicable policies.

3. EVENTS OF DEFAULT. The Borrower shall be in default under this Security Agreement upon the happening of any of the following events or conditions (herein sometimes called an "Event of Default"):

(a) Failure of Borrower to pay within fifteen (15) days of the due date thereof any interest on or any principal or installment of principal of the Notes or any other indebtedness secured by this Security Agreement;

(b) The occurrence of any event which under the terms of any evidence of indebtedness, loan agreement, security agreement or similar instrument permits the acceleration of maturity of any indebtedness of Borrower to Bank, or to others than Bank;

(c) Any representation or warranty made by the Borrower herein or made in any statement of certificate furnished or to be furnished by the Borrower to the Bank pursuant to any Loan Agreement, the Security Agreement, Note or other document in connection with this loan proves incorrect in any material respect;

(d) If default occurs in the observance or performance by the Borrower or by Cherokee-Lufkin Products, Inc. of any provision of the Loan Agreement, this Security Agreement, or of the Notes, or any other document relating thereto;

(e) The Borrower becomes insolvent or admits in writing its inability to pay its debts as they mature; or the Borrower applies for, consents to, or acquiesces in the appointment of a trustee or receiver for the Borrower, or any property owned by the Borrower; or if a trustee or receiver is appointed for the Borrower or for a substantial part of the assets of the Borrower and such receiver is not discharged within sixty (60) days; or any bankruptcy, reorganization, debt arrangement, or other proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding is instituted by or against the Borrower, and if instituted against the Borrower remains undismissed for a period of sixty (60) days; or

(f) The Collateral becomes in the judgment of Bank unsatisfactory or insufficient in character or value.

4. REMEDIES. Upon the occurrence of an Event of Default, or if the Bank deems payment of the Borrower's indebtedness to Bank to be insecure, and at any time thereafter, the Bank may, at its option, without notice or demand to the Borrower, declare all the indebtedness secured hereby immediately due and payable and the Bank shall have the rights and remedies of a secured party under the Texas Uniform Commercial Code, including without limitation, the right to sell, lease or otherwise dispose of any or all of the Collateral and to apply the proceeds thereof toward payment of any costs and expenses and attorney's fees and legal expenses incurred by the Bank and toward payment of the Notes, or other indebtedness arising under the Loan Agreement, this Security Agreement, or other related document, in such order or manner as the Bank may elect. The Bank shall have the right to take immediate possession of the Collateral, with or without process of law, and for that purpose the Bank may enter upon any premises of the Borrower on which the Collateral or any part thereof is kept. The Borrower agrees to make the Collateral

available to the Bank at a place to be designated by the Bank which is reasonably convenient to both parties. Expenses of retaking, holding, repairing, improving, maintaining, preparing for sale, selling or the like shall include the Bank's reasonable attorney's fees and legal expenses, plus interest thereon at a rate per annum at all times equal to the highest lawful contract rate permitted by the applicable law of the State of Texas, and shall constitute additional indebtedness of the Borrower which shall be due on demand and which shall be secured by and entitled to the benefits of this Security Agreement. If the proceeds of any sale or other lawful disposition by the Bank of the Collateral following its retaking are insufficient to pay the expenses of retaking, repairing, holding, preparing the Collateral for sale, selling it and the like, to satisfy any indebtedness of the Borrower to the Bank, then the Borrower agrees to pay any deficiency. The Borrower shall be entitled to any surplus, if one results, after lawful application of all such proceeds.

The Bank may remedy any default and may waive any default without waiving the default remedied or without waiving any other prior or subsequent default.

Borrower hereby acknowledges that the indebtedness secured hereby is further secured by a deed of trust dated of even date herewith from Borrower to H. J. Shands, Jr., covering property situated in Angelina County, Texas, which is of record in the office of the County Clerk of Angelina County, Texas, and which is incorporated herein by reference as though copied herein verbatim and made a part hereof for all purposes. Borrower, in addition to the other covenants herein contained, does hereby agree to do and perform all of the obligations and covenants contained in such deed of trust given to additionally secure such indebtedness, and in the event Borrower shall default under the terms and conditions of any such deed of trust, at the election of the Bank, the same shall constitute a default hereunder.

This Security Agreement shall cover not only the personal property herein enumerated and described but also that real property described in the aforementioned deed of trust. Upon the occurrence of an Event of Default under the terms and conditions hereof, and any time thereafter, Bank, at its election, in addition to the remedies herein provided, may exercise the remedies granted in such deed of trust in respect to the real property covered thereby, and, in the event of such default, the trustee designated in such deed of trust, or his successor or substitute as therein provided, at the request of the Bank (which request is hereby conclusively presumed), is hereby authorized and empowered to sell the property covered by this Security Agreement as an entirety together with the aforementioned real estate or in such parcels as the trustee, or his successor, may elect (all rights to a marshalling of security being hereby expressly waived), in accor-

dance with the laws of the State of Texas regulating sales of real estate under deeds of trust, at the Courthouse door of Angelina County, Texas, to the highest bidder or bidders for cash, at public auction, first giving notice of the time, place and terms of sale by posting or causing to be posted written notice for twenty-one (21) days prior to such sale all in accordance with the laws of the State of Texas (and to make such notice as may be required by the laws of the State of Texas) and to make, execute and deliver to any purchaser or purchasers of said property at such sale good and sufficient bills of sale in the name of the Borrower herein conveying the property so sold in fee simple, all as more fully set forth in such deed of trust to which, as aforesaid, reference is here made and the terms and conditions of which are incorporated herein by reference and made a part hereof for all purposes.

The remedies of the Bank hereunder are cumulative, and the exercise of any one or more of the remedies provided herein shall not be construed as a waiver of any of the other remedies of the Bank.

6. MISCELLANEOUS.

(a) Any provision hereof found to be invalid under the law of the State of Texas or the United States of America shall be invalid only with respect to the offending provision. All words used herein shall be construed to be of such gender or number as the circumstances may require. This Security Agreement shall be binding upon the successors and assigns of the parties hereto, and shall inure to the benefit of the Bank, its successors and assigns.

(b) Any carbon, photographic or other reproduction of any financing statement, or security agreement, signed by the Borrower is sufficient as a financing statement for all purposes, including without limitation, filing in any public office as may be permitted or required by the provisions of the Uniform Commercial Code of such state, or other applicable statute.

(c) In order to induce the Bank to advance and loan such funds to and for the benefit of the Borrower, the Borrower hereby covenants and agrees that in the Event of Default by the Borrower (as an Event of Default is defined herein) that the Bank shall have the absolute and unconditional right without the prior notice and/or prior hearing of any kind whatsoever, to seize and take possession of the Collateral, and furthermore the Borrower does hereby expressly waive any right to any prior notice and prior hearing

prior to seizure and taking possession of the Collateral and property by the Bank in the Event of Default by the Borrower.

(d) The security interest hereby granted and all the terms and provisions hereof shall be deemed a continuing security interest and shall continue in full force and effect, and all the terms and provisions hereof shall remain effective as between the parties until the entire indebtedness represented by the Note Agreement, the Notes, this Security Agreement, or other document relating thereto shall have been repaid by Borrower in full.

SIGNED in multiple original counterparts and delivered on the day and year first above written.

GRINDING AND SIZING COMPANY, INC.

ATTEST:

H. A. Wittliff, Jr.  
Secretary

By H. A. Wittliff, Jr.  
President

FIRST BANK & TRUST

ATTEST:

Jane B. Shourd  
Its Adm. Officer

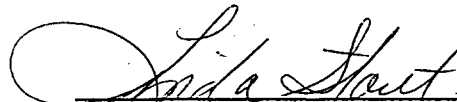
By [Signature]  
Its VICE President

THE STATE OF TEXAS X

COUNTY OF ANGELINA X

BEFORE ME, the undersigned authority, on this day personally appeared H. A. Wittliff, Jr., President of GRINDING AND SIZING, INC., a corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, on this the 11<sup>th</sup> day of September, A.D. 1979.

  
Notary Public, Angelina County,  
Texas

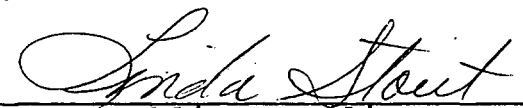
LINDA STOUT  
MY COMMISSION EXPIRES  
MARCH 31, 1981

THE STATE OF TEXAS X

COUNTY OF ANGELINA X

BEFORE ME, the undersigned authority, on this day personally appeared Arthur L. Sayers, Vice President of FIRST BANK & TRUST, Lufkin, Texas, a corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, on this the 11<sup>th</sup> day of September, A.D. 1979.

  
Notary Public, Angelina County,  
Texas

LINDA STOUT  
MY COMMISSION EXPIRES  
MARCH 31, 1981

Eight	Raymond Double Whizzers for particulate separation, #78031, 78032, 78033 and 78136
46,000	Cubic Feet Material Storage Facilities - seven (7) heavy duty 1/4" plate tanks
Nine	Super Fine Grinding Mills
Eight	Buffalo 6-E High Static Blowers with motors and support brakes
Six	Fabric Filter Corp. dust collectors FABRI JET #DC 55-75903 and Newman Rotary Air Locks TRV8CM 191522-16 and 191522-16A
One	250 CFM x 65 HP Ingersol Rand rotary screw air compressor-serial #20354
40	Torgue twister gear reducers
Four	Fluidflo Dense Phase Pumps
Three	75 hp reciprocating air compressors
Five	10 hp reciprocating air compressors
Three	Model 201 W G Durrant Air Packers
	Packaging Station conveying equipment by R. T. Sheehan
40	Heavy duty thick wall screw conveyors. (average length 25 feet)
Three	250 amp 480 volt three phase heavy duty Miller Welding Machines
One	Hendrick's Panel Saw
One	50 hp Hazeldine Gang Rip Saw
One	Heavy duty 3 saw cant cut off saw
One	20" Radial Arm Saw
Six	Allis Chalmers 60 hp motors

EXHIBIT "A"





40	Allis Chalmers 2 hp motors
12	Allis Chalmers 7 1/2 hp motors
Two	Bag Flatteners
Four	Digital Scales
	Starters and electrical support equipment for the above
Two	Automated electrical operator consolos
One	Melroe M-600 Bobcat, Serial #75286
Three	Allis Chalmer Forklifts, Serioal Numbers ALE-110419, AFC-86936 and AFC 86937
Two	Yale Forklifts, Serial Numbers P304068 and P231456
One	1977 GMC Diesel Truck #TJJ907V572420
One	1979 GMC Truck Unit Number 1 T49EC9V626564
One	1979 GMC Truck Unit Number 3 T49EC9V626554
One	1978 Diesel Cadillac Seville Number 6S69N8Q482860
One	1975 Chevrolet Pickup Number CKY145S180562
One	1979 AMC Jeep Number J9F93AC827802
Two	5,250 cu. ft. Jumbo, covered Hopper Cars manufactured by ACF, bearing road marking GSWX 101 and GSWX 102, A.A.R. mechanical designation LO-L154.



TRACT 1: Record owner - Cherokee-Lufkin Products, Inc.

All that certain tract, lot or parcel of land situated in Angelina County, Texas, described as follows:

BEING all that certain tract or parcel of land out of a 24.6 acre tract, out of the J. A. Bonton League, being more fully described in a deed from Dr. O. F. Gandy to Texas South-Eastern Railroad Company dated October 19, 1948, and recorded in Volume 138, page 444 of the Deed Records of Angelina County, Texas, to which deed and its record reference is hereby made for a better description, said tract being described by metes and bounds as follows:

BEGINNING at a point which is N. 21 W. 345 feet and N. 69 E. 50 feet from the S.W. corner of said 24.6 acre tract;

THENCE N. 21 W. 600 feet to a stake for corner;

THENCE N.. 69 E. 129 feet to a stake for corner, which point is S 69 W. 8.5 feet from the center line of Texas South-Eastern Railroad Company tract;

THENCE S. 21 E., parallel to and 8.5 feet from said track, 250 feet to a stake for corner;

THENCE with a 12 degree curve to the right, parallel to and 8.5 feet from the center line of said track, 375.08 feet to the place of beginning, and containing 1.39 acres of land. Being the same tract or parcel of land described in deed from Mrs. Louise Henderson to Cherokee-Lufkin Products, Inc. dated February 3, 1962 recorded in Volume 263, Page 433, Deed Records, Angelina County, Texas.

EXHIBIT B

TRACT 2: Record owner Cherokee-Lufkin Products, Inc.

All that certain tract or parcel of land lying and situated in Angelina County, Texas, being out of the J. A. Bonton Survey and also being a part or portion of that certain 24.6 acre tract described in a deed from Dr. O. P. Gandy to Texas South-Eastern Railroad Company dated October 19, 1948, recorded in Vol. 138, Page 444 of the Deed Records of Angelina County, Texas, to which reference is hereby made for all purposes, and the said part or portion being described by metes and bounds as follows, to-wit:

BEGINNING N 67° E 50.00 feet and S 21° 02' E. 270.00 feet from the N.W. corner of the aforesaid referred to 24.6 acre tract at a 4" x 6" concrete monument, found for corner, on the East boundary line of Industrial Road;

THENCE N 69° 31' E at 143.77 feet a 1/2" iron pin, set for corner;

THENCE S 20° 16' E, in part with the center of a railroad spur tract, at 20.0 feet the said spur starts, at 195.98 feet a 3/8" iron pin set for corner in the center of the said spur track;

THENCE S 68° 59' W at 141.20 feet the East boundary line of the said Industrial Road a 3/8" iron pin, set for corner;

THENCE N 21° 01' W, with the East boundary line of the said Industrial Road, at 197.30 feet the point and place of beginning and containing 0.6443 acre of land, more or less. Being the same tract or parcel of land described in deed from Texas South-Eastern Railroad to Lufkin Pecan Shelling Company dated July 26, 1968 recorded in Volume 348, Page 770, Deed Records, Angelina County, Texas.

EXHIBIT B

TRACT 3: Record owner- Grinding and Sizing Company, Inc.

BEING out of the J. A. BONTON SURVEY, ABSTRACT NO. 5, and also being a part or portion of that certain 24.6 acre tract described in a deed from Dr. O. P. Gandy to Texas South-Eastern Railroad Company dated October 19, 1948, recorded in Volume 138, Page 444 of the Deed Records of Angelina County, Texas, to which reference is hereby made for all purposes, and the said part or portion being described by metes and bounds as follows, to-wit:

BEGINNING S 23° 00' E 630.67 feet and S 67° 00' W 188.80 feet from the Northwest corner of a 6.044 acre tract of land described in a deed from Texas South-Eastern Railroad Company to East Texas Asphalt Company dated February 19, 1960 and recorded in Volume 240, Page 535 of the Deed Records of Angelina County, Texas, a 1/2" iron pipe for corner;

THENCE S 67° 00' W at 89.99 feet, a 1/2" iron pipe for corner in the East margin of a spur tract, 8.5 feet from and perpendicular to the centerline thereof;

THENCE N 20° 16' 18" W with the East margin of the said spur tract, 8.5 feet from the centerline of same, at 354.30 feet, a 1/2" iron pipe for corner;

THENCE N 69° 31' 00" E at 89.58 feet, a 1/2" iron pipe for corner;

THENCE S 20° 19' 19" E at 350.35 feet, the point and place of beginning and containing 0.726 acres of land, more or less. Being the same tract or parcel of land described in deed from Texas South-Eastern Railroad to H. A. Wittliff, et al dated October 1, 1974, recorded in Volume 418, Page 41, Deed Records, Angelina County, Texas.

• TRACT 4: Record owner- Grinding and Sizing Company, Inc.

BEING all that certain tract or parcel of land lying and situated in Angelina County, Texas, being out of the J. A. BONTON SURVEY, ABSTRACT NO. 5, and also being a part or portion of that certain 24.6 acre tract described in a deed from Dr. O. P. Gandy, to Texas South-Eastern Railroad Company, dated October 19, 1948, and recorded in Volume 138, Page 444 of the Deed Records of Angelina County, Texas, to which reference is hereby made for all purposes and the said part or portion being described by metes and bounds as follows, to-wit:

BEGINNING at the Northeast corner of that certain 0.726 acre tract described in a deed from Texas South-Eastern Railroad Co. to H. A. Wittliff and H. A. Wittliff, III, dated October 1, 1974, and recorded in Volume 418, Page 41, of the Deed Records of Angelina County, Texas, a 1/2 inch iron pipe for corner;

THENCE N 69° 31' 00" E at 149.03 feet, a 1/2 inch iron pipe for corner;

THENCE S 22° 58' 41" E at 180.00 feet, a 1/2 inch pipe for corner;

THENCE S 69° 27' 17" W at 147.37 feet, pass on line a 1/2 inch pipe set for reference at 157.37 feet, intersect the East boundary line of the said 0.726 acre tract, a point for corner;

THENCE N 20° 19' 19" W with the East boundary line of the said 0.726 acre tract at 180.00 feet, the point and place of beginning and containing 0.6327 acres of land, more or less. Being the same tract or parcel of land described in deed from Texas South-Eastern Railroad to H. A. Wittliff, et al dated July 23, 1975 recorded in Volume 428, Page 110, Deed Records, Angelina County, Texas.

Exhibit B